

HOUSE JOINT MEMORIAL 48

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THE INSURANCE DIVISION OF THE PUBLIC REGULATION
COMMISSION TO STUDY THE IOWA TITLE GUARANTY SYSTEM AND MAKE
RECOMMENDATIONS REGARDING HOW SUCH A SYSTEM COULD BE
IMPLEMENTED IN NEW MEXICO.

WHEREAS, the state of Iowa in 1947 outlawed the private
sale of title insurance and since 1985 has issued title
guarantees through the title guaranty division of the Iowa
finance authority; and

WHEREAS, Iowa's system offers the most affordable title
protection of any state in the country, with a lender's title
insurance policy costing one hundred ten dollars (\$110) for up
to five hundred thousand dollars (\$500,000) of coverage and an
owner's policy issued at no charge for residential property;
and

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1 WHEREAS, in New Mexico, a lender's policy for five hundred
2 thousand dollars (\$500,000) coverage costs thirty dollars
3 (\$30.00) and an owner's policy costs two thousand four hundred
4 forty-eight dollars (\$2,448); and

5 WHEREAS, under the Iowa title guaranty system, a policy
6 purchased by a homeowner who is refinancing a mortgage costs
7 ninety dollars (\$90.00); and

8 WHEREAS, in New Mexico, the discounts for reissue policies
9 range from only twenty-five percent of the policy price for a
10 homeowner refinancing within one year of purchase to ten
11 percent for a homeowner refinancing three or more years after
12 purchasing a home; and

13 WHEREAS, the Iowa title guaranty nets an average of two
14 million two hundred fifty thousand dollars (\$2,250,000)
15 annually for the state, which invests the money in affordable
16 housing initiatives; and

17 WHEREAS, New Mexico's title insurance system is too
18 expensive for potential homebuyers and homeowners wishing to
19 refinance mortgages, fails to adequately protect consumers and
20 exports too much money out of state to national insurance
21 underwriters;

22 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
23 STATE OF NEW MEXICO that the insurance division of the public
24 regulation commission be requested to study how a system
25 similar to the Iowa title guaranty system could be implemented

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1 in New Mexico; and

2 BE IT FURTHER RESOLVED that the insurance division be
3 requested to report its findings and recommendations, if any,
4 to the Mortgage Finance Authority Act oversight committee by
5 November 30, 2009; and

6 BE IT FURTHER RESOLVED that copies of this memorial be
7 transmitted to the superintendent of insurance and the chair of
8 the Mortgage Finance Authority Act oversight committee.

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